

**DURHAM, NORTH CAROLINA  
MONDAY, MAY 3, 2010  
7:00 P.M.**

The Durham City Council met in regular session on the above date and time in the Council Chambers at City Hall with the following members present: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Absent: None.

Also present: City Manager Thomas J. Bonfield, City Attorney Patrick Baker, City Clerk D. Ann Gray and Deputy City Clerk Linda Bratcher.

Mayor Bell called the meeting to order with a moment of silent meditation and the pledge of allegiance led by Council Member Clement.

Mayor Bell read the following proclamations designating May as Older Americans Month presented to Sarah Hogan of the Parks and Recreation Department and Drinking Water Month presented to Vicki Westbrook, Deputy Director of Water Management. The Mayor presented certificates to water poster contest winners: Grades 3 – 5: Ian Layzer, Christen Mela and Earnisha Thomas; Grades 6 -8: Keels Jones, Natalie Liller and Jemar Beulah.

The Mayor read a proclamation proclaiming May 9-17, 2010 as Police Week and May 7, 2010 as Peace Officers' Memorial Day presented to Police Chief Jose Lopez and William Evans, President Durham County Fraternal Order of Police. Also, he read a proclamation declaring May 3-9, 2010 as Public Service Recognition Week presented to City Manager Bonfield. All recipients of proclamations made comments.

Mayor Bell recognized Joe Bushfan. Mr. Bushfan thanked the City Council, his team, Pat Harris, TROSA and Dan Hill for giving him an opportunity to complete a development at the corner of Angier Avenue and Driver Street in North East Central Durham.

Patricia Harris, of Harris Collaborative, asked if they could provide an overview to Council on what it took to do commercial development in this area.

Mayor Bell asked Mr. Bushfan and Ms. Harris to present a report on this economic investment during a Council Work Session.

Several members of Council thanked Mr. Bushfan for coming to say thank you, for building the community and providing jobs.

Mr. Bushfan announced that TROSA will be opening a grocery store on May 13th. Also, he noted these establishments [grocery store/internet café] will not be selling alcohol or tobacco.

Council Member Clement recognized Dan Hill for the role he played in Mr. Bushfan's

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development.

Mayor Bell asked for priority items from the City Manager, City Attorney and City Clerk. City Manager Bonfield asked that Agenda Item #9 [Proposed FY10-11 Planning Department Fee Resolution] be referred back to the administration and informed Council that Agenda Item #25 [Local Funding commitment for Rolling Hills Submission to North Carolina Housing Finance Agency [NCHFA] has been added as a Supplemental Item.

**MOTION** by Mayor Pro Tempore Cole-McFadden seconded by Council Member Catotti to accept the City Manager priority items was approved at 7:30 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

There were no priority items from the City Attorney and City Clerk.

Council Member Clement thanked the Neighborhood Improvement Services for their census outreach efforts.

Mayor Bell asked if any citizen(s) or council member(s) wanted to pull any items from the Consent Agenda. No items were pulled.

**MOTION** by Council Member Clement seconded by Mayor Pro Tempore Cole-McFadden to approve the Consent Agenda was approved at 7:34 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

**[CONSENT AGENDA]**

**SUBJECT: DURHAM BOARD OF ADJUSTMENT - APPOINTMENT**

**MOTION** by Council Member Clement seconded by Mayor Pro Tempore Cole-McFadden to appoint Henry D. Blinder to the Durham Board of Adjustment as a Regular Member with the term to expire on June 30, 2013 was approved at 7:34 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

**SUBJECT: CAPITAL PROGRAM ADVISORY COMMITTEE - REAPPOINTMENTS**

**MOTION** by Council Member Clement seconded by Mayor Pro Tempore Cole-McFadden to reappoint Harold L. Chestnut to represent PAC 4 and Charles D. Watts, Jr., to represent PAC 5 on the Capital Program Advisory with the terms to expire on March 31, 2012 was approved at 7:34 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

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**SUBJECT: EQUAL BUSINESS OPPORTUNITY PROGRAM ADVISORY  
COMMITTEE - REAPPOINTMENT**

**MOTION** by Council Member Clement seconded by Mayor Pro Tempore Cole-McFadden to reappoint Patricia E. Harris to the Equal Business Opportunity Program Advisory Committee to represent a SDBE Professional Services Firm owner with the term to expire April 1, 2012 was approved at 7:34 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

**SUBJECT: DURHAM CONVENTION CENTER AUTHORITY - APPOINTMENT**

**MOTION** by Council Member Clement seconded by Mayor Pro Tempore Cole-McFadden to appoint Dawn Paffenroth to the Durham Convention Center Authority with the term to expire on July 31, 2013 was approved at 7:34 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

**SUBJECT: BID REPORT – MARCH 2010**

**MOTION** by Council Member Clement seconded by Mayor Pro Tempore Cole-McFadden to receive a report and to record into the minutes bids which were acted upon by the City Manager during the month of March 2010 was approved at 7:34 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

**Date:** April 5, 2010

**To:** Thomas J. Bonfield, City Manager

**Through:** Wanda S. Page, Deputy City Manager  
David Boyd, Finance Director

**From:** Joseph W. Clark, CLGPO, Purchasing Manager

**Subject:** Bid Report – March 2010

**Recommendation**

To receive a report and to record into the minutes bids which were acted upon by the City Manager during the month of March 2010.

Apparatus, Supplies, Materials, Equipment, Construction and Repairwork:

1. **Bid:** **Miscellaneous Fertilizers and Pesticides for Athletic Fields**

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Purpose of Bid: To provide the Parks & Recreation Department with Fertilizer and Pesticides

Comments:

Opened: February 11, 2010

Bidders:	LESCO	* \$14,029.70
	Cary, NC	
	Southern States	\$21,665.35
	Carrboro, NC	
	Camp Fertilizers	\$25,065.41
	Roxboro, NC	

\*Awarded based on: ☒ Low Bid ☐ Other (See Comments)

WORKFORCE STATISTICS  
CORPORATION STATISTICS

Total Workforce	11		# Black Males	0	0%
Total # Females	2	18%	# White Males	8	73%
Total # Males	9	82%	# Other Males	1	9%
			# Black Females	0	0%
			# White Females	2	18%
			# Other Females	0	0%

**2. Bid: Mounting Equipment for In-Car Computers and Printers**

Purpose of Bid: To supply the Fleet Maintenance Department with mounting equipment for in-car computers and printers to be used in Police Vehicles.

Comments: 30 units @ \$733.22 each

Opened: February 19, 2010

Bidders:	Dana Safety Supply	* \$21,996.60
	Greensboro, NC	
	B & G Equipment	\$23,122.56
	Dover, NC	

\*Awarded based on: ☒ Low Bid ☐ Other (See Comments)

WORKFORCE STATISTICS  
CORPORATION STATISTICS

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Total Workforce	9		# Black Males	0	0%
Total # Females	3	30%	# White Males	6	70%
Total # Males	6	70%	# Other Males	0	0%
			# Black Females	1	10%
			# White Females	2	20%
			# Other Females	0	0%

**3. Bid: Seventy (70) used personal computers**

Purpose of Bid: To purchase used personal computers for the Technology Solutions Department.

Comments: The used computers in question are currently being leased by the City from ePlus. The effective date of the purchase will be April 1, 2010.

70 computers @ \$145.00 each

Opened: February 18, 2010

Bidders: ePlus Group, Inc. \* \$10,150.00  
Herndon, VA

\*Awarded based on: \_\_\_\_\_ Low Bid ☒ Other (See Comments)

**WORKFORCE STATISTICS**  
**CORPORATION STATISTICS**

Total Workforce	643		# Black Males	21	3%
Total # Females	239	37%	# White Males	320	50%
Total # Males	404	63%	# Other Males	63	10%
			# Black Females	22	3%
			# White Females	174	27%
			# Other Females	43	7%

**4. Bid: Two (2) Compact Sport Utility Vehicles**

Purpose of Bid: To provide the Radio Maintenance Division and the Public Works Engineering Division with new vehicles.

Comments: Two vehicles @ \$19,990.00 each

Opened: February 26, 2010

Bidders: University Ford \* \$39,980.00  
Durham, NC

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Ray Motor Company  
Hillsborough, NC

\$40,640.38

\*Awarded based on: X Low Bid \_\_\_\_\_ Other (See Comments)

WORKFORCE STATISTICS  
CORPORATION STATISTICS

Total Workforce	201		# Black Males	19	9%
Total # Females	26	13%	# White Males	153	76%
Total # Males	175	87%	# Other Males	3	2%
			# Black Females	2	1%
			# White Females	24	12%
			# Other Females	0	0%

**5. Bid: One (1) 16,500 GVWR Crewcab Pickup Truck**

Purpose of Bid: To provide the Water Management Department with a new Crewcab Pickup Truck

Comments:

Opened: February 26, 2010

Bidders:	University Ford	* \$31,176.00
	Durham, NC	
	Piedmont Ford	\$32,482.00
	Greensboro, NC	

\*Awarded based on: X Low Bid \_\_\_\_\_ Other (See Comments)

WORKFORCE STATISTICS  
CORPORATION STATISTICS

Total Workforce	201		# Black Males	19	9%
Total # Females	26	13%	# White Males	153	76%
Total # Males	175	87%	# Other Males	3	2%
			# Black Females	2	1%
			# White Females	24	12%
			# Other Females	0	0%

**6. Bid: DATA Transit Bus Repainting**

Purpose of Bid: To repaint the older model DATA buses

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Comments: 29 buses @ \$5,632.00 each

Opened: February 9, 2010

Bidders:	Lilley International	* \$163,328.00
	Rocky Mount, NC	
	Bullins-Guynn	\$178,640.00
	Durham, NC	
	Commercial Refinishers	\$235,257.86
	Durham, NC	
	ABC Bus, Inc.	\$259,424.72
	Winter Garden, FL	
	Penske Truck Leasing	\$300,449.86
	Reading, PA	
	Truck Fleet Painting	\$347,845.43
	Charlotte, NC	

\*Awarded based on: X Low Bid \_\_\_\_\_ Other (See Comments)

WORKFORCE STATISTICS  
CORPORATION STATISTICS

Total Workforce	26		# Black Males	5	19%
Total # Females	2	8%	# White Males	16	62%
Total # Males	24	92%	# Other Males	3	11%
			# Black Females	0	0%
			# White Females	2	8%
			# Other Females	0	0%

**7. Bid: One (1) Skid Steer Loader**

Purpose of Bid: To provide the General Services Department with a Skid Steer Loader

Comments:

Opened: March 3, 2010

Bidders:	Triangle Equipment Co.	* \$28,390.00
	Morrisville, NC	
	Piedmont Bobcat LLC	\$33,405.82
	Kernersville, NC	

\*Awarded based on: X Low Bid \_\_\_\_\_ Other (See Comments)

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WORKFORCE STATISTICS  
CORPORATION STATISTICS

Total Workforce	24		# Black Males	1	4%
Total # Females	5	21%	# White Males	18	75%
Total # Males	19	79%	# Other Males	0	0%
			# Black Females	0	0%
			# White Females	5	21%
			# Other Females	0	0%

**8. Bid: Security System at Old Lyon Park Teen Center**

Purpose of Bid: To provide a security system at Old Lyon Park Teen Center

Comments:

Opened: February 10, 2010

Bidders:	ABV Security Systems	* \$28,480.00
	Apex, NC	
	ProNet Systems	\$32,022.93
	Raleigh, NC	

\*Awarded based on: X Low Bid \_\_\_\_\_ Other (See Comments)

WORKFORCE STATISTICS  
CORPORATION STATISTICS

Total Workforce	8		# Black Males	0	0%
Total # Females	2	25%	# White Males	6	75%
Total # Males	6	75%	# Other Males	0	0%
			# Black Females	0	0%
			# White Females	2	25%
			# Other Females	0	0%

**9. Bid: Miscellaneous Accessories for two (2) Police Motorcycles**

Purpose of Bid: To provide the Police Department with accessories for their new motorcycles

Comments: Miscellaneous Accessories @ \$5,488.31 per each motorcycle

Opened: March 9, 2010



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Bidders:	Davis Harley-Davidson	* \$10,976.62
	Burlington, NC	
	Ray Price Harley-Davidson/Buell, Inc.	\$13,821.86
	Raleigh, NC	

\*Awarded based on: X Low Bid \_\_\_\_\_ Other (See Comments)

WORKFORCE STATISTICS  
CORPORATION STATISTICS

Total Workforce	22		# Black Males	1	5%
Total # Females	6	27%	# White Males	15	68%
Total # Males	16	73%	# Other Males	0	0%
			# Black Females	0	0%
			# White Females	6	27%
			# Other Females	0	0%

**10. Bid: Installation and Removal of Basketball Goals**

Purpose of Bid: To remove old basketball goals and install new goals at Burton and C R Woods Parks

Comments: This bid was handled by the General Services Department.  
8 goals @ \$2,438.70

Opened: March 9, 2010

Bidders:	Bill Fritz Sports	* \$19,509.64
	Apex, NC	
	Cunningham & Associates	\$19,820.00
	Charlotte, NC	

\*Awarded based on: X Low Bid \_\_\_\_\_ Other (See Comments)

WORKFORCE STATISTICS  
CORPORATION STATISTICS

Total Workforce	2		# Black Males	0	0%
Total # Females	1	50%	# White Males	1	50%
Total # Males	1	50%	# Other Males	0	0%
			# Black Females	0	0%
			# White Females	1	50%
			# Other Females	0	0%

**11. Bid: PipePatch Trenchless Flow Thru Water and Sewer Kits with Accessories**

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Purpose of Bid: These kits are used to repair water and sewer pipe lines.

Comments: 21kits @ \$697.14

Opened: March 12, 2010

Bidders: Ultratech Water Resources \* \$14,640.00  
Shelby, NC  
Source One Environmental \$14,840.00  
Davison, MI

\*Awarded based on: X Low Bid \_\_\_\_\_ Other (See Comments)

WORKFORCE STATISTICS  
CORPORATION STATISTICS

Total Workforce	3		# Black Males	0	0%
Total # Females	1	40%	# White Males	2	60%
Total # Males	2	60%	# Other Males	0	0%
			# Black Females	0	0%
			# White Females	1	40%
			# Other Females	0	0%

**12. Bid: Computer Renewal Support Services Maintenance Agreement**

Purpose of Bid: To extend the warranty on ten (10) Dell Servers

Comments: Dell Marketing LP is the only known source for an extended warranty on Dell products. Ten one year warranty extensions @ \$1,188.30 each

Opened: March 12, 2010

Bidders: Dell Marketing LP \* \$11,883.00  
Round Rock, TX

\*Awarded based on: \_\_\_ Low Bid X Other (See Comments)

WORKFORCE STATISTICS  
CORPORATION STATISTICS

Total Workforce	21,450		# Black Males	1,329	10%
Total # Females	6,173	29%	# White Males	12,154	50%
Total # Males	15,277	71%	# Other Males	1,794	11%
			# Black Females	823	6%
			# White Females	4,620	29%

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# Other Females                      730                      5%

The SDBE Data Base was used in the solicitation of bids for these items.

Sufficient funds were available at the time of the award. The Administration recommends acceptance of the above bids denoted by an asterisk (\*).

**SUBJECT:    AMENDMENT TO LOAN AGREEMENT AND RELATED DOCUMENTS  
                 BETWEEN VOA DURHAM MAPLE COURT, INC. AND THE CITY OF  
                 DURHAM**

**MOTION** by Council Member Clement seconded by Mayor Pro Tempore Cole-McFadden to authorize the City Manager to amend the Loan Agreement and associated legal documents with VOA Durham Maple Court, Inc. to provide permanent mortgage financing at 0% interest, forgivable over 20 years; and

To authorize the City Manager to amend Exhibit A of the Loan Agreement to include regulatory rent limitation language was approved at 7:34 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

**SUBJECT:    PROPOSED FY10-11 PLANNING DEPARTMENT FEE RESOLUTION**

To adopt a Resolution Modifying Fees and Surcharges Charged by the City-County Planning Department and Surcharges Charged by the City-County Inspections Department.

**Note: By a vote of 7/0, this item was referred back to the administration [City/County Planning Department] at the request of the City Manger.**

**SUBJECT:    USE OF FEDERAL ASSET FORFEITURE FUNDS**

**MOTION** by Council Member Clement seconded by Mayor Pro Tempore Cole-McFadden to authorize the use of Federal Asset Forfeiture Funds in an amount not to exceed \$13,000.00 was approved at 7:34 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

**SUBJECT:    NORTH CAROLINA DEPARTMENT OF TRANSPORTATION UTILITY  
                 AGREEMENT U-4763 B - NCTA**

**MOTION** by Council Member Clement seconded by Mayor Pro Tempore Cole-McFadden to authorize the City Manager to execute a Utility Agreement with the NCTA and the NCDOT for

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Project U-4763B for the relocation of City water lines within the Durham County portion of the project's boundaries;

To authorize the expenditure of \$623,602.00 from the Water Extensions and Improvements Account; and

To establish a contingency fund in the amount of \$62,360.00 (10%) for the relocation of the water lines was approved at 7:34 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

*The City Council disposed of the following agenda items at the April 22, 2010 Work Session:*

**8. Right-of-Way Mowing and Litter and Debris Removal Contract**

To authorize the City Manager to execute a contract with Dixie Lawn Service, Inc. for Right-of-Way Mowing and Litter and Debris Removal with a three year cost of \$1,068,839.90.

*(This item was approved at the 04-22-10 Work Session with a vote of 6/0)*

**12. Matricular Consular**

To receive a presentation from Consul General Carlos Flores on the Matricular Consular.

*(A presentation was received at the 04-22-10 Work Session)*

**13. Economic Development Financial Incentive Policy for Job Creation and Capital Investment**

To receive a presentation on the proposed resolution establishing an Economic Development Financial Incentive Policy for Job Creation and Capital Investment.

*(A presentation was received at the 04-22-10 Work Session)*

**14. Water Regulatory Compliance Project**

To receive an update on the Water Regulatory Compliance Project related to the Safe Drinking Water Act 2012 Compliance.

*(A presentation was received at the 04-22-10 Work Session)*

**22. Richard L. Clark**

To receive comments from Richard L. Clark regarding equal opportunity rights for convicted felons.

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*(Comments were received at the 04-22-10 Work Session)*

**23. Mayor's Nominee for Appointment - Workforce Development Board**

To appoint Lea Diane Henry to the Workforce Development Board as a Mayor's Appointee representing Community Based Organization.

*(This item was approved at the 04-22-10 Work Session with a vote of 7/0)*

**24. Use and Possession Agreement for the Community Family Life and Recreation Center at Lyon Park**

To authorize the City Manager to execute the Use and Possession Agreement for the Community Family Life and Recreation Center at Lyon Park between the City of Durham and Calvary Ministries of the Westend, Inc.

*(This item was deferred to the April 29, 2010 Special City Council Meeting)*

**[GENERAL BUSINESS AGENDA]**

**SUBJECT:   ADOPTION OF NEIGHBORHOOD STABILIZATION PROGRAM  
              GRANT PROJECT ORDINANCE SUPERSEDING ORDINANCE #13814  
              AND AWARD FUNDS TO HOUSING FOR NEW HOPE, INC.**

Larry Jarvis, of the Community Development Department, outlined the purpose of this item.

Mayor Pro Tempore Cole-McFadden asked staff to address M/WBE participation and if this item was bided.

Larry Jarvis reported the bid documents have not been prepared, but the goals will be included in the bid package. Mr. Jarvis explained that the project manager from the Community Development Department along with the Office of Equal Opportunity/Equity Assurance will review the participation to make sure the goals are met after the project is complete.

**MOTION** by Mayor Pro Tempore Cole-McFadden seconded by Council Member Brown to adopt the North Carolina Department of Commerce Neighborhood Stabilization Program (NSP) Grant Project Ordinance superseding Ordinance #13814;

To authorize the expenditure of \$688,750.00 in NSP funds; and

To authorize the City Manager to execute an Neighborhood Stabilization Program subrecipient agreement with Housing for New Hope, Inc. for the acquisition and rehabilitation of 1103 E. Oak Drive as workforce rental housing was approved at 7:37 p.m. by the following vote: Ayes:

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Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

**Ordinance #13977**

**[PUBLIC HEARINGS]**

**SUBJECT: PUBLIC HEARING AND APPROVAL OF FY 2010-2015  
CONSOLIDATED PLAN AND 2010-2011 ANNUAL ACTION PLAN FOR  
THE USE OF CDBG, HOME AND ESG FUNDS**

Community Development Director Mike Barros noted there are two plans before Council tonight—the Action Plan for the upcoming year on how federal entitlements would be spent and the Five-Year Plan that outlines broad categories that the City would achieve over a five-year period. He reported a consultant has been hired to assist with the Five-Year Plan and commented on the involvement from the community and partners. He stated concerns have been raised that the community would like to see aggressive goals set.

Wilmur Conyers, of the Community Development Department, explained the planning process for the Consolidated Plan and Annual Action Plan. She noted staff is required to hold at least two public hearings and the first public hearing was held on January 4th with the City Council and February 11th with the County Commissioners. She made comments on the application workshop held on October 13, 2009 in which approximately 24 applications were accepted through November 16, 2009. She commented on the February 22nd informal meeting that allowed the community to comment on the development and housing needs for the Consolidated Plan and the Annual Action Plan, the meeting held that evening with the Citizens Advisory Committee and March 25th public meeting for citizen input. On March 31, she reported HUD provided the actual funding allocations that the City was to receive because during the planning process staff was using the FY 09-10 allocation for planning purposes and those allocations from HUD were announced on March 31st. She stated the second public hearing is being held tonight and this matter will go before the County Commissioners on May 10th. She stated the Consolidated Plan and Annual Action Plan must be submitted to HUD by May 15th. She discussed the City's process in moving forward with sub-recipient contracts after HUD's response within 45 days and mentioned the draft Consolidated Annual Action Plan review was April 2 -May 3.

Mayor Pro Tempore Cole-McFadden asked staff have all the proposed recipients in the past met their goals and were the goals monitored.

Wilmur Conyers explained that the City is required to submit a Consolidated Annual Performance and Evaluation Report at the end of each fiscal year. She noted there's a contract that outline the goals and the contract will match up to the CAPER as to whether or not they met their goals. In addition, she reported 75% of the sub-recipients that are receiving funding did apply for 2010-11 funding.

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Mike Barros stated he was not aware of any sub-recipients that received CDBG/HOME funding that did not meet their goals. He noted sub-recipients for the 10-year plan were funded from different funds and their goals were broader with no specific milestones.

Mayor Pro Tempore Cole-McFadden noted goals can be set for the homeless population and felt that it is important that everybody be held accountable for setting goals and meeting them. She stated agencies receiving funding through the City should be required to submit reports that are needed especially for the 10-Year Plan to End Homelessness.

Mike Barros reported the in-house position was not carried forward in the budget process. He noted staff does have funding for Durham Affordable Housing Coalition under an existing contract through September. Because staff was unclear whether they would carry the position forward, staff is not recommending more than \$30,000.00.

Council Member Catotti noted there was \$60,000 for this position last year. If funding has not been carried forward, how does staff provide similar services.

Mike Barros noted staff would make a recommendation to the Deputy City Manager asking that funding come out of CDBG funds. He also explained the application process, audit and funding level for sub-recipients. Mr. Barros also noted a program [third-party] audit is required within a year of the City funding any organization and as a result there have been no significant findings on any audit.

Mayor Bell opened the public hearing.

Anita Oldham, representing the Durham Affordable Housing Coalition, stated the Consolidated Plan should have specific numerical housing targets, including 75 units of permanent supportive housing for the five years, funding for special needs housing [permanent supportive housing] should be supported through a *Penny for Housing* which is an initiative that Durham Affordable Housing first brought to the City Council four years ago. She commented on the Annual Action Plan highlighting the current funding level they currently receive, asked that funding be restored to \$60,000 for Housing Counseling Services and reported they have met their goals.

Jack Preiss noted there is a need for goals in order to measure what is being done year by year. Relative to resources, he felt that the Plan and the Rolling Hills/Southside project both cannot be met as stated. He mentioned if the Rolling Hills/Southside project is funded that would not leave any money for the current Plan to be carried out.

Ryan Fehrman, representing the Genesis Home and Housing Education and Advocacy Results Team (HEART), stated they have reviewed the Consolidated Plan draft and would like to affirm their support of the city's priorities for neighborhood revitalization in South West Central Durham, North East Central Durham, and Rolling Hills/Southside and for housing for persons with special needs. He expressed the following concerns: 1) there are no numerical goals in the plan which should specify a target of 75 permanent supportive housing units and regularly report out assessments of the effectiveness of various housing strategies; 2) aged housing and an excess of substandard housing stock, particularly in the rental market, are not emphasized as they were

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in the last plan, in prior Annual Plans or in recent NIS data and initiatives; 3) the plan should affirm support for further exploration of a rental property registration or certification program; 4) asked for clarification of the resources to support revitalization efforts and that a penny for housing remain a dedicated fund for very low income housing and not be funded with federal funds or used to reimburse loans used for neighborhood revitalization; and expressed concern about how funding for Rolling Hills/Southside will affect North East Central Durham and South West Central Durham. He noted the following administrative concerns—the need for the public to see demographic, income, vacancy and homeownership information, by census tract, included in the Consolidated Plan so that this data can guide public and private agencies over the five years; and expressed concern that the draft questionnaire for HUD’s initiative for the removal of Regulatory Barriers was not included in the draft plan for public review and comment.

Dabney Hopkins, representing People’s Alliance, spoke in support of full funding for non-profits and asked Council to target one-cent for affordable housing.

Susan Olive, representing Urban Ministries of Durham, spoke in support of funding for Urban Ministries to feed the homeless. She asked that Rolling Hills not be funded in a way that takes away from Urban Ministries and Housing for New Hope unless other monies are provided by the City to replace those funds. She urged Council to not take \$50,000 away from their existing funding.

Anne Aitchison stated organizations will lose out if Council devotes CDBG funds to Rolling Hills/Southside for the next 20 years. She commented on the great work by community organizations that have been accountable to the community for decades with community partners that provide matching leverage for the dollars spent. She asked Council where is the match for Rolling Hills and to commit to fund these organizations if they decide to move forward with a change in the use of CDBG funding.

Susan Amey, representing Urban Ministries, spoke in support of funding for Urban Ministries commenting on the efforts of that organization. She urged Council to not take funding from these organizations without first identifying how the funds can be replaced.

Victoria Peterson stated Durham needs a good training/carpentry program for the young men and women in this community. She asked Council to bring back the Youth Build program.

Steve Hopkins, representing PEACH, spoke in support of housing counseling due to foreclosures and job loss and asked that the lead abatement program be added to the Plan. He urged Council to support non-profits, address the lead issue and help the homeless population.

Mayor Bell closed the public hearing.

Council Member Catotti asked about time constraints for passing this item tonight.

Wilmur Conyers, of Community Development, noted this is a draft plan and minor changes/adjustments can be made to the plan; however, this plan must be submitted to HUD no later than May 15, 2010.



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Since specific targets are not a part of the plan, Council Member Catotti asked staff to comment on the lack of goals/targets in numeric terms.

Mike Barros addressed the issue commenting on the broad goals--neighborhood revitalization and special needs housing. He noted staff will be presenting a change in the way entitlement funding is being used which makes it difficult to predict what staff will do in other categories. Relative to Special Needs, staff would be creating 10 housing units a year for 50 over the Five-Year Plan. Mike Barros referenced page 6-13 which summarized the numeric goals over the next five years.

Council Member Catotti made comments on other concerns raised regarding the need to include demographic information and the HUD questionnaire.

Wilmur Conyers stated the HUD questionnaire is not a requirement of the Annual Action Plan, the lead-based hazards are addressed on page 6-15 and regulatory barriers are addressed in the Plan.

Pat Crawford, representing Freeman Consulting and Training Development Associates, pointed out the participation requirements highlighting that the City has done an outstanding job in making sure the community had an opportunity to comment on this plan. She noted public comments will be included as an attachment to the Consolidated Plan.

Relative to page 6-13 [Proposed Accomplishments], Council Member Catotti asked staff if they would change the accomplishment to reflect 10 permanent housing units per year for 50 over the five-year period.

Mike Barros replied it would be corrected and referenced that other accomplishments are over the five-year period.

For clarification, Council Member Catotti asked about the reinstatement of \$60,000 for housing counseling if needed.

Mike Barros discussed prior housing counseling efforts and noted if the amount goes from \$30,000 to \$60,000 it would be a supplement to the Action Plan.

**MOTION** by Council Member Clement seconded by Mayor Pro Tempore Cole-McFadden to receive public comments on the Draft 2010-2015 Consolidated Plan/2010-2011 Annual Action Plan for the use of CDBG, HOME and ESG funds was approved at 8:35 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

**MOTION** by Council Member Woodard seconded by Council Member Ali to approve the Draft 2010-2015 Consolidated Plan/2010-2011 Annual Action Plan for submission to the U.S. Department of Housing and Urban Development;

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To authorize the City Manager to execute all administrative requirements and contractual documents necessary for implementation of the Consolidated/Annual Action Plan to include all CDBG, HOME and ESG program agreements and related documents;

To adopt the City of Durham/U.S. Department of Housing and Urban Development Community Development Block Grant Project Ordinance in the amount of \$2,299,922.00;

To adopt the City of Durham/U.S. Department of Housing and Urban Development Home Investment Partnerships Program Grant Project Ordinance in the amount of \$1,611,212.00; and

To adopt the City of Durham/U.S. Department of Housing and Urban Development Emergency Shelter Grant Project Ordinance in the amount of \$85,140.00 was approved at 8:36 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

**Ordinance # 13978, 13979 and 13980**

**SUBJECT: HISTORIC LANDMARK DESIGNATION – MAYNARD MANGUM – RICE DIET HOUSE (LD0900005)**

To receive public comments on the proposed Historic Landmark designation; and

To adopt an ordinance designating the Maynard Mangum – Rice Diet House, 1111 North Mangum Street (LD0900005), as a Historic Landmark.

City/County Planning Director Steve Medlin reported six applications for local historic landmark designation on the agenda this evening were initially before the Council at its November 2, 2009 meeting. He noted last fall several members of Council and the Board of Commissioners raised concerns about the current program and directed staff to review the local historic landmark designation program. He reported staff met with the Council, County Commissioners and the Joint City-County Planning Committee [JCCPC]. He stated staff received direction from the Joint City-County Planning Committee at their April meeting to begin specific steps to revise the program--this information is included as supplemental information in the agenda packet. He stated the six pending applications this evening have been modified as a result of the direction from JCCPC. He noted the ordinance of designation for each of the landmark applications has been revised changing the local policy to apply tax deferral to the structure only unless the land has a historic element to be preserved and protected. He said staff will continue to work with all necessary parties to establish parameters for implementation of other directions from JCCPC. He stated the additional areas of change proposed do not impact these applications in process or would apply retroactively to all previously approved landmark designations. He reported no new applications for 2010 have been received.

Lisa Miller, of the City/County Planning Department, provided the following report:

**Case LD0900005** is a landmark designation application for the Maynard Mangum-Rice Diet

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House, located at 1111 North Mangum Street. This structure is not in a Local Historic District or individually listed on the National Register of Historic Places, but is located in the North Durham-Duke Park National Register District. Significance – the Maynard Mangum-Rice Diet House represents two of Durham’s significant 20<sup>th</sup> century industries – tobacco and dieting. The house was built and lived in by Maynard Mangum a prominent tobacconist and former County Commissioner. This structure was later the site of the original Rice Diet House began by Dr. Walter Kempner, founder of the nationally significant Rice Diet. The property is thereby significant for its association with the lives of persons significant in Durham’s history and its contribution to the broad patterns of our history. Recommendations – the State Historic Preservation office has reviewed the application and report, staff recommends designation of the structure only and the Historic Preservation Commission recommended approval on October 6, 2009.

For clarification, Mayor Bell asked staff if they were excluding the value of the land.

Lisa Miller, of the City/County Planning Department, noted at the April Joint City/County Planning Committee Meeting, one of the directions that staff received was to begin a policy to designate only the structure in a landmark designation unless the land had historic significance.

Mayor Bell noted he appreciates how staff should move forward, but felt it is wrong to change the rules in the middle of the stream when persons have made investments to their property based on guidelines that were in place at that time.

Lisa Miller noted in terms of tax deferral, there would be a tax benefit of \$2,736.00 to the property owner if the structure only is designated and if the structure and land are designated it would be \$3,155.00. She noted staff’s recommendation is for the structure only in the amount of \$2,736.00.

Mayor Bell opened the public hearing. There being no one to speak in support for or against this item, the Mayor closed the public hearing.

A motion was made by Council Member Woodard seconded by Council Member Brown to approve the item as printed [structure only].

Council Member Catotti felt these items should be deferred until December to allow further discussion of staff’s recommendations which would have no impact on the tax benefit to any of the property owners. Based on staff’s research, she noted the structure only benefit is consistent with most of the programs in this state and across the country.

Sara Young, of the City/County Planning Department, stated staff is working on the recommendations from Joint City/County Planning Committee and staff will report back in the fall with a proposed plan which includes special legislation.

Council Member Ali felt that the rules applying to any of these properties should be across the board. Also, he disclosed that he does not have any interest in any of the properties noted on the agenda tonight.

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Council Member Clement expressed concern with changing the rules in the middle of the game and spoke in support of deferring this item to December.

Council Member Brown noted if this item is held until December, the issue would still be the same. He felt what staff is proposing in terms of separating the two [land vs. improvement] is very reasonable.

A substitute motion was made by Council Member Clement seconded by Council Member Catotti to defer all historic landmark designations listed on the agenda until December 2010.

Mayor Pro Tempore Cole-McFadden noted during the Joint City/County Planning Committee discussion--she expressed concerns with changing the rules in the middle of the stream. She stated these landmark designations should be accepted as they are and in the future make changes to this policy.

A substitute to the substitute motion was made by Mayor Pro Tempore Cole-McFadden seconded by Council Member Ali to approve this item under the regulations that were present when the applicant applied.

City Attorney Baker briefed Council that there is an original and substitute motion on the floor and that the substitute motion should be voted on first.

**SUBSTITUTE MOTION** by Council Member Clement seconded by Council Member Catotti to refer this item to the December 20, 2010 City Council Meeting **FAILED** at 8:59 by the following vote: Ayes: Council Members Brown, Catotti and Clement. Noes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali and Woodard.

**MOTION** by Council Member Woodard seconded by Council Member Brown to approve item as printed on the agenda [structure only as recommended by staff] **FAILED** at 9:01 p.m. by the following vote: Ayes: Council Members Brown, Catotti and Woodard. Noes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali and Clement.

A motion was made by Council Member Woodard seconded by Mayor Pro Tempore Cole-McFadden to adopt an ordinance that includes structure and land for Maynard Mangum – Rice Diet House, 1111 North Mangum Street (LD0900005), as a Historic Landmark.

Council Member Ali disclosed that he was on the title for this item, but no longer has any economic interest. After a ruling from the City Attorney and due to a perception issue, he stated he would be abstaining on this item.

City Attorney Baker briefed Council noting that Council Member Ali was in the chain of title for this property and it is his understanding that he no longer has an economic interest. He noted it is unclear based on the Code of Ethics as to whether family members have an interest so he is advising him to abstain.

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**MOTION** by Council Member Woodard seconded by Mayor Pro Tempore Cole-McFadden to receive public comments on the proposed Historic Landmark designation; and

To adopt an ordinance as amended to include the structure and land designating the Maynard Mangum – Rice Diet House, 1111 North Mangum Street (LD0900005), as a Historic Landmark was approved at 9:03 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Brown and Woodard. Noes: Council Members Catotti and Clement. Abstention: Council Member Ali.

**Ordinance #13981**

**SUBJECT: HISTORIC LANDMARK DESIGNATION – CLARK AND SORRELL BUILDING (LD0900002)**

To receive public comments on the proposed Historic Landmark designation; and

To adopt an ordinance designating the Clark and Sorrell Building, 323 Foster Street (LD0900002), as a Historic Landmark.

Lisa Miller, of the City/County Planning Department, presented the following report:

**Case LD0900002** is a landmark designation application for the Clark and Sorrell Building, located at 323 Foster Street. This structure is not in a National Register or Local Historic District, but it is individually listed on the National Register of Historic Places. Significance – the Clark and Sorrell building, when it finally closed in 1999, was the oldest auto repair garage still in operation in Durham, where a cluster of auto-oriented businesses once existed. The structure is a well-executed, well-preserved example of early 20<sup>th</sup> century freestanding auto repair garages and is thereby significant by its contribution to the broad patterns of our history and by embodying the distinctive characteristics of a type now rare. Recommendations – the State Historic Preservation office has reviewed the application and report, staff recommends designation of the structure only and the Historic Preservation Commission recommended approval (7-0) on September 1, 2009.

Mayor Bell opened the public hearing.

Lisa Miller reported there would be a tax benefit of \$11,860.00 to the property owner if the structure only is designated and if the structure and land are designated it would be \$14,099.00.

Joan Pepper addressed the Council regarding their lack of passion for other items on the agenda.

Mayor Bell closed the public hearing.

**MOTION** by Council Member Woodard seconded by Mayor Pro Tempore Cole-McFadden to receive public comments on the proposed Historic Landmark designation; and

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To adopt an ordinance as amended to include the structure and land designating the Clark and Sorrell Building, 323 Foster Street (LD0900002), as a Historic Landmark was approved at 9:10 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Clement and Woodard. Noes: Council Member Catotti. Absent: None.

**Ordinance #13982**

**SUBJECT: HISTORIC LANDMARK DESIGNATION – W.W. CARD HOUSE  
(LD0900003)**

To receive public comments on the proposed Historic Landmark designation; and

To adopt an ordinance designating the W.W. Card House, 1110 Minerva Avenue (LD0900003), as a Historic Landmark.

Lisa Miller, of the City/County Planning Department, presented the following report:

**Case LD0900003** is a landmark designation application for the W.W. Card House, located at 1110 Minerva Avenue. This structure is not in a Local Historic district or individually listed on the National Register of Historic Places, but is located in the Trinity National Register Historic District.

Significance – Cap Card, director of athletics at Trinity College and then Duke University for nearly half a century, is known as the father of Duke basketball for bringing the sport to North Carolina and to the University. As Cap Card's long standing residence the WW Card House is thereby significant by its contribution to the broad patterns of our history.

Recommendations – the State Historic Preservation office has reviewed the application and report, staff recommends the designation of the structure only and the Historic Preservation Commission recommended approval (5-0) on October 6, 2009. The tax benefit to the property owner if the structure only is designated is \$3,687 and if the structure and land are designated it would be \$4,244.00.

Mayor Bell opened the public hearing. There being no one to speak in support for or against this item, the Mayor closed the public hearing.

**MOTION** by Council Member Woodard seconded by Mayor Pro Tempore Cole-McFadden to receive public comments on the proposed Historic Landmark designation; and

To adopt an ordinance as amended to include the structure and land designating the W.W. Card House, 1110 Minerva Avenue (LD0900003), as a Historic Landmark was approved at 9:12 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Clement and Woodard. Noes: Council Member Catotti. Absent: None.

**Ordinance #13983**

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**SUBJECT: HISTORIC LANDMARK DESIGNATION – LIBERTY WAREHOUSE  
(LD0900001)**

To receive public comments on the proposed Historic Landmark designation; and

To adopt an ordinance designating the Liberty Warehouse, 611-613 Rigsbee Avenue (LD0900001), as a Historic Landmark.

Lisa Miller, of the City/County Planning Department, provided the following report:

**Case LD0900001** is a landmark designation application for Liberty Warehouse No. 1 and 2, located at 611-613 Rigsbee Avenue. This structure is not in a National Register or Local Historic District, but it is individually listed on the National Register of Historic Places.

Significance – this property is the only surviving loose-leaf tobacco auction house in an area where a district of such structures once stood and is thereby significant by its contribution to the broad patterns of our history.

Recommendations – the State Historic Preservation office has reviewed the application and report, staff recommends designation of the structure only and the Historic Preservation Commission recommended approval (7-0) on September 1, 2009.

Lisa Miller reported there would be a tax benefit of \$6,227.00 to the property owner if the structure only is designated and if the structure and land are designated it would be \$12, 282.00.

Mayor Bell opened the public hearing. There being no one to speak in support for or against this item, the Mayor closed the public hearing.

Council Member Woodard stated that he would be voting against this item noting few improvements have been made to the structure since it was declared historic.

**MOTION** by Council Member Woodard seconded by Council Member Ali to receive public comments on the proposed Historic Landmark designation; and

To adopt an ordinance as amended to include the structure and land designating the Liberty Warehouse, 611-613 Rigsbee Avenue (LD0900001), as a Historic Landmark was approved at 9:16 p.m. by the following vote: Ayes: Mayor Bell and Council Members Ali, Brown and Clement. Noes: Mayor Pro Tempore Cole-McFadden and Council Members Catotti and Woodard. Absent: None.

**Ordinance #13984**

**SUBJECT: HISTORIC LANDMARK DESIGNATION – DILLARD AND MILDRED  
TEER HOUSE (LD0900004)**

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To receive public comments on the proposed Historic Landmark designation; and

To adopt an ordinance designating the Dillard and Mildred Teer House, 43 Beverly Drive (LD0900004), as a Historic Landmark.

Lisa Miller, of the City/County Planning Department, provided the following report:

**Case LD0900004** is a landmark designation application for the Dillard and Mildred Teer House, located at 43 Beverly Drive. This structure is not in a Local Historic District and is not individually listed on the National Register of Historic Places, but is in the Forest Hills National Register Historic District.

Significance – the Dillard and Mildred Teer house is significant as one of very few examples of true Modernist residential architecture in Durham, and a well-executed and well-preserved model of the humanist strain of modernism. The organic integration of the structure into the site and the intact nature of the grounds, including a historic swimming pool and associated outbuildings, also contribute considerably to the significance of the property as a whole.

Recommendations – the State Historic Preservation office has reviewed the application and report, staff recommends designation of the structure and the land and the Historic Preservation Commission recommended approval (4-0) on October 6, 2009.

Lisa Miller reported there would be a tax benefit of \$3,988.00 to the property owner if the structure only is designated and if the structure and land are designated it would be \$4,692.00.

Mayor Bell opened the public hearing. There being no one to speak in support for or against this item, the Mayor closed the public hearing.

Council Member Woodard stated he would be voting against this item raising questions regarding the age of home and minimal improvements.

Lisa Miller provided information noting the structure has been maintained over time with very little change since it was built.

**MOTION** by Council Member Woodard seconded by Council Member Brown to receive public comments on the proposed Historic Landmark designation; and

To adopt an ordinance designating the Dillard and Mildred Teer House, 43 Beverly Drive (LD0900004), as a Historic Landmark [structure and land] was approved at 9:21 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali and Clement. Noes: Council Members Brown, Catotti and Woodard. Absent: None.

**Ordinance #13985**

**SUBJECT: HISTORIC LANDMARK DESIGNATION – PASCHALL-THOMAS HOUSE (LD0900006)**



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Lisa Miller, of the City/County Planning Department, provided the following report:

**Case LD0900006** is a landmark designation application for the Paschall-Thomas House, located at 2009 West Club Boulevard. This structure is not individually listed on the National Register of Historic Places, but is located in the Watts-Hillandale National Register and Local Historic districts.

Significance – the Paschall-Thomas house is a well-executed and intricately detailed foursquare house. The elaborate tripartite stained glass window in the east bay along with undivided double hung windows with stained-glass transoms throughout the structure exemplify the ornate salvaged elements used throughout the interior and exterior of the house, believed to be from Washington Duke's Fairview Mansion and is thereby significant by embodying distinctive characteristics of a type and possessing high artistic values.

Recommendations – the State Historic Preservation office has reviewed the application and report, staff recommends designation of the structure only and the Historic Preservation Commission recommended approval (4-1) on October 6, 2009

Lisa Miller reported there would be a tax benefit of \$2,873.00 to the property owner if the structure only is designated and if the structure and land are designated it would be \$3,430.00.

Mayor Bell opened the public hearing. There being no one to speak in support for against this item, the Mayor closed the public hearing.

**MOTION** by Council Member Woodard seconded by Council Member Ali to receive public comments on the proposed Historic Landmark designation; and

To adopt an ordinance as amended to include the structure and land designating the Paschall-Thomas House, 2009 West Club Boulevard (LD0900006), as a Historic Landmark was approved at 9:24 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

### **Ordinance #13986**

Mayor Bell commented on Ms. Pepper's remarks assuring her that what she saw this evening was not so much a matter of passion, but Council may have been somewhat emphatic in their remarks. He stated there was a list of items that they needed to bring some type of order to proceed smoothly with other related items on the agenda. The Mayor stated he appreciated her comments.

### **[SUPPLEMENTAL ITEM]**

**SUBJECT: LOCAL FUNDING COMMITMENT FOR ROLLING HILLS  
SUBMISSION TO NORTH CAROLINA HOUSING FINANCE AGENCY  
(NCHFA)**

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To authorize the City Manager to issue to MBA Development Corporation a conditional commitment of subordinate financing in the amount of \$5,486,468.00 for a rental development consisting of 119 mix-income units and 13 live-work units and a conditional commitment to fund the associated site preparation and infrastructure improvements at an amount not to exceed \$3,887,410.00.

Council Member Catotti made comments regarding the discussion last week stating while many support the revitalization of Rolling Hills/Southside/St. Theresa--many are concerned about the proposed redirection of CDBG/HOME funding for 20 and 10 years respectively. She noted CDBG/HOME dollars have funded some very important services in the community to expand access to safe/affordable housing and to support the homeless population.

**MOTION** by Council Member Catotti seconded by Council Member Clement to direct the City Manager to study and evaluate delivery and funding alternatives to perform the housing support and related services functions currently funded through the City's Community Development Block Grant and Home Entitlements and to present the results of this study and evaluation along with a recommendation no later than the second City Council agenda cycle in August 2010 for Council consideration was approved at 9:30 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

Larry Jarvis, of Community Development, gave an overview of the power point presentation that was given at the Work Session highlighting the following: information on the Master Plan for Rolling Hills/Southside Revitalization [redevelopment area], disinvestment/dilapidated properties in the area, key points, desired outcome--additional 1,000 new residential units over the next six to eight years and accelerating the timing for Heritage Square and the redevelopment of Fayette Place, tipping point project: existing Rolling Hills site, Southside community, Fayette Place, proposed Heritage Square redevelopment project, consensus plan for tipping point project, Phase 1 rental--119 mixed income rental units, 13 live/work units; site plan for phase 1; type of buildings; homeownership units owned by Self-Help; second phase of rental development--Beamon Place, extending a street; 115 mixed income units, second phase of homeownership units; tipping point summary--component, cost and proposed funding source. He made comments on the grading of the site, infrastructure to serve the 1st phase of the mixed income rental units on the Rolling Hills site, Beamon Place acquisition, subordinate financing for the 1st phase of mixed income rental units--132 units, estimated gap, 2nd phase of rental development; subordinate financing for the 40 homeownership units; total investment in terms of public funding for the tipping point project is \$19 million seven hundred and seventy six thousand dollars, recap of the CDBG Section 108 [under \$7.2 million with a 20 year debt service period and HOME bridge loan--under \$7.6 million to be repaid over a ten-year period. Also, he provided information on the Rolling Hills/Southside entitlement funding scenario for CDBG and HOME funding, summary and recommended actions. He noted Council was provided with answers to questions raised at the Work Session.

Mayor Bell stated this is not a public hearing, but would be allocating three minutes per speaker for this item.

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Larry Jarvis discussed that under the entitlement program the current percentages used for code enforcement is 22 percent and administration is 20 percent. He noted the typical term for financing is 20 years for a Section 108, but could be paid off sooner with no pre-payment penalty.

Jack Preiss said this proposal sounds less favorable as it relates to the following: finances, the policy and criteria. He stated this item would put the City in a mortgage position and does not spell out benefits. He expressed concerns with the developer not putting in anything, noted the Consolidated Action Plan depends upon financing and this proposal cuts the rug out from under the possibilities that might be in existence under the Consolidated Plan.

Ryan Fehrman expressed concerns that this item would affect 10 to 20 years of funding, there are no details concerning this project and referenced conversations he had with HUD Representative Gary Dimmick. He requested information regarding the impact on Rolling Hills/Southside funding and asked Council to not finance this project on the backs of the homeless, the poor and hungry.

Catherine Pleil, representing Durham Interfaith Hospitality Network, spoke in opposition to this proposal to use 20 years of CDBG money to fund the Rolling Hills project and expressed concern with taking money away from Durham Interfaith Hospitality Network's ability to address the homelessness issue. She urged Council to find another way to fund Rolling Hills and save the CDBG and HOME money to spend on improving the homeless situation in Durham.

Anita Oldham, representing the Durham Affordable Housing Coalition, stated if this proposal is implemented as written--it would have a significant impact by limiting funding to every non-profit agency that provides services and affordable housing to Durham residents. Also, she felt limiting CDBG and HOME funding for 5, 10 or 20 years may cause agencies to abandon programs for lack of funding.

John Bryson, representing Durham Community Land Trustees, asked Council to delay approving the Rolling Hills project until an alternate source of funding can be found, asked Council to raise taxes by at least 1/2 cent and create a dedicated source of funding to continue the many housing efforts that would end if federal dollars are diverted to Rolling Hills and not replaced. He made comments on DCLT's efforts, noted they support Rolling Hills as a project that expands the housing pie, not as a project that takes from existing groups and housing initiatives.

Phillip Azar stated no effort has been made to show the effect on people and services, commented on the money spent for Rolling Hills in acquisition and relocation and noted other areas should not suffer because the City has chosen a path that has a long gestation period. He noted since the developer cannot raise the money, is it appropriate to revisit the assumptions to determine whether this is the right developer or given the state of the real estate markets--should the City proceed with this developer. Also, he stated alternative funding needs to be found in order to grow the housing pie.

Donovan Drake, representing Housing for New Hope, spoke in support of funding for Housing

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for New Hope. He asked that the City continue to be a partner to people who need food, shelter, and a place to call home, hope and life.

Terry Allebaugh, representing Housing for New Hope, urged Council to send this financing plan back to staff for one that makes sense for all of Durham citizens. He shared information on what they have done with the CDBG funds from 2004 - 2008 to help fund the Phoenix and Dove transitional housing.

Larry Hester expressed concerns with the amount of federal allocation being directed for this development for the next 20 years. He stated non-profits want their share of housing funding, but there are no funds earmarked for the people who live, own property and pay taxes in the area being developed, nothing that existing homeowners will receive to rehabilitate their property and participate in the upswing plan for the area, no opportunities determined or explained for African American small businesses, developers, contractors on the front-end of the financing to build capacity. He raised a concern regarding the issue of eminent domain as a result of the blight study and made a recommendation that Council first identify funds for property owners who wish to remain in the area and improve their properties before earmarking any funds for the developers and that developers commit to 40 percent African American participation in all phases of the development.

Patrice Nelson commented on the efforts of the Urban Ministries of Durham and discussed their funding sources.

Joe Parker, representing Rolling Hills/Southside Steering Committee, discussed current condition of these areas and commented on their discussions regarding financing, cost and the impact this development would have on non-profits. He felt this team will build a development on the Rolling Hills site that they would be proud of and spoke in support of this application being submitted to the Housing and Finance Agency so that this project can move forward.

Denise Hester stated this is an economic justice issue and expressed concern that this is the second potential large displacement of a predominant African American community to create progress for others except for those who live in the area now. She asked Council to designate the area as a rehabilitation area where property owners can receive funds, remain in their homes and improve their properties and not live under the threat of eminent domain.

Dennis Boothe, representing Builders of Hope, discussed how they would be impacted by this item in providing services and affordable housing to Durham residents. He asked Council to discuss the selected developer's capacity to perform as provided under this proposal and to address why the lead planner was removed from this project.

Lorisa Seibel, representing the Rolling Hills/Southside Steering Committee, made comments on the work of Housing Subcommittee of the Southside/Rolling Hills Steering Committee. She discussed the principles of this committee to include building housing that is affordable so that people could return, to assist the homeowners with repairs, to include permanent affordable homeownership to have a mixed income community, to create a committee that will work with the developers to decide who will be there and come up with designs, service plan.

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Also, she stated they have concerns regarding the cost of this project and some activities that are not funded to include services for jobs, youth and seniors, housing counseling services, housing for seniors, the disabled and persons with special needs. She urged Council to attend the Steering Committee meetings to work with them in serving the community.

In addressing questions raised by citizens, Larry Jarvis provided information on his conversation he had with Gary Dimmick of HUD highlighting that there is nothing prohibitive on the HOME side with borrowing monies the way staff is proposing and explained that there is no guarantee that the entitlements will remain at the existing level. He commented on the affordability of housing proposed in the area. Regarding the mixed income rental units, he mentioned that out of 119 units, 80 of those units will be affordable which are considered tax credit units--60 percent of the median and will be affordable for a period of 30 years. Also, he commented on opportunities for rehab and support to existing homeowners.

Larry Jarvis, of Community Development, outlined the necessary next steps for the project to continue to move forward highlighting the submittal of the application to the Housing and Finance Agency by May 14<sup>th</sup> and that agency will announce awards in August. He stated staff will continue to work with the Steering Committee on refining the redevelopment plan which spells out Phases 1, 2 and 3, long range uses for the Whitted School, street improvements as well as improvements along Lakewood Avenue in terms of gateway treatment. He reported staff will work on the master development agreement which addresses the deal points between the City and McCormack Baron Salazar. For clarification, he stated if the City does not receive tax credits in August, staff will apply again the following year.

Council Member Catotti stated in order to move forward the City needs the tax credit and development agreement. She made comments on the funding plan that the City Manager will bring back to Council.

In her capacity as a member of the Ten-Year Plan to End Homelessness, Mayor Pro Tempore Cole-McFadden asked staff to provide information on how much money has been made available to the community through federal and state funding programs, how much money is coming in to various providers, who makes the decision on who receives that money and is there a formula for determining who receives this money, money available through the state--how much comes to Durham, how much money goes to providers from Mental Health and other sources. She stated the City needs to know the total amount of money that everyone is getting to make sure this process is fair, how much money is being spent on personnel costs, salary, rent--who is receiving and benefiting from these funds.

Council Member Brown stated everyone should go into this project with eyes wide open and not eyes wide shut. He commented on the previous history of Rolling Hills and expressed concerns that a municipality should not develop a residential community, be it low income, moderate income or market rate. He raised a concern with this plan based upon the use of future entitlements to pay for this development and made comments on the track records of some agencies. He stated the way this plan is structured now is a better deal for the developer than it is for Durham. He made comments on the public safety issue in the area and stated that he would be voting against the Rolling Hills plan.

**May 3, 2010**

Mayor Bell thanked everyone for their comments and noted there is no intent on Council's part to completely abandon non-profit programs.

**MOTION** by Mayor Pro Tempore Cole-McFadden seconded by Council Member Clement to authorize the City Manager to issue to MBA Development Corporation a conditional commitment of subordinate financing in the amount of \$5,486,468.00 for a rental development consisting of 119 mix-income units and 13 live-work units and a conditional commitment to fund the associated site preparation and infrastructure improvements at an amount not to exceed \$3,887,410.00 was approved at 11:10 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Catotti, Clement and Woodard. Noes: Council Member Brown. Absent: None.

**[Announcements]**

Council Member Woodard requested an excused absence from the Legislative Breakfast scheduled for May 4 due to a work commitment and reminded everyone to vote tomorrow in the Primary election.

**MOTION** by Mayor Pro Tempore Cole-McFadden seconded by Council Member Ali to excuse Council Member Woodard from the May 4, 2010 Legislative Breakfast was approved at 11:10 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

Mayor Pro Tempore Cole-McFadden thanked Pastor McCarter of Greater Joy for his work with ex-offenders.

Council Member Brown announced he will be arriving late to the Legislative Breakfast.

There being no further business to come before the City Council, the meeting was adjourned at 11:12 p.m.

Linda E. Bratcher, CMC  
Deputy City Clerk

D. Ann Gray, MMC  
City Clerk